

Editorial

Dear SHIF members,

You have recently received a very long circular concerning Amendments to the SHIF Regulations and Administrative Rules. This Newsletter aims to clarify the context and the content of the circular as well as to inform you about the reflections of the Working Group on the future of the SHIF.

Before doing so, let me take stock of the situation of the Secretariat. We announced last winter that we had taken measures (additional staff) to reduce the delays in reimbursements which do not match the expectations of our insured persons or of the requirements of a modern social protection service. These measures have begun to bear fruit; while the number of outstanding claims remained at some 6'000 between January and June, we have divided this number by more than three since July. At the time I am writing this (early December) we have less than 2'000 pending claims. A growing number of colleagues and retirees have expressed their satisfaction to us to see the time to reimbursement gradually return to satisfactory levels. While we are pleased with this, we still haven't arrived yet at our goal of rapid reimbursement for all.

At the same time we anticipated some of the recommendations coming out of the Working Group on the future of the SHIF and I can already announce some innovations coming to the SHIF. A contract will soon be signed with an internationally renowned assistance service which will allow staff members and retirees to obtain a guarantee of health insurance coverage 24/7 and 365 days a year in the case of in-patient treatment in a hospital or clinic that does not recognize the SHIF card. This new service, which will be accessible by a dedicated telephone number gives us a good opportunity to change our insurance cards. All insured persons will be receiving a new card in the coming months.

We have many other plans in the works and we will inform you about them very shortly.

In the meantime, I wish you happy end of year celebrations and my best wishes to you all for a healthy 2016!

Florian Léger, *Executive Secretary*

The Working Group on the future of the SHIF delivered its report and recommendations to the Director-General.

In addition to measures taken last winter mentioned in the editorial, it was still necessary to consider more systemic measures to allow the Fund to restore a level of services corresponding to the wishes of all insured persons of the Fund. It was for this reason that in April of this year a Working Group representing the different interests of the Fund was formed. The Working Group consisted of members of the Fund's Management Committee, representatives from the Human Resources and Finance Departments, the Legal Services and the ILO Staff Union. The Working Group was formed to recommend to the Director-General a number of measures designed to improve the level of service provided by the Fund.

The Working Group agreed on three priorities: reduce the reimbursement period to that corresponding to the best practices in comparable insurance funds, ensure the Fund's membership is recognized worldwide which includes assistance in case of emergency – in particular in the field, and strengthen governance, communication and fraud prevention.

The Working Group met seven times from April to early October. To assist it in its work, the Working Group met with staff of the SHIF, representatives of other Funds similar to ours operating in the same manner in different international organizations in Geneva and health insurance experts. Some of these other funds have had to face similar difficulties in the past so the experiences shared with the Working Group proved particularly instructive for our context. In addition, elements of analysis and recommendations in internal audit documents or reports of the United Nations common system on social (health) protection were taken into account in the identification of new operating procedures.

After this process, the Working Group submitted its report – which it adopted consensually – containing recommendations on the priorities mentioned above. Some of the recommendations related to internal procedures of the Fund are already being implemented. Others, however, require additional resources – either to strengthen the Fund's team in order to reach the level of operation that can be seen for a given volume of reimbursements in the funds of our sister organizations, or to modernize the IT tools necessary to process claims, increased use of direct payment, better access to information by the insured person and fraud prevention. Using an internationally recognized assistance company to guarantee coverage for in-patient treatment and providing additional assistance in emergency cases is one of the recommended measures which is already being put into place. The insurance cards of all insured persons will need to be replaced so that the emergency assistance numbers are readily available when needed.

Circular concerning the amendments to the SHIF Regulations and Administrative Rules

The circular is long but it can be summarized in three points:

- Deletion of references to the International Telecommunications Union (ITU):

Following the withdrawal from the Fund of the International Telecommunications Union (ITU) with effect from 1 May 2014, it is necessary to remove all references to the ITU.

- Increase in contribution rates:

Thanks to the different increases to contribution rates decided in 2006, the financial position of the Fund remains sound. However, according to the latest actuarial valuation, the results of which were presented to the General Assembly of insured persons on 28 February 2014, the base rate of contribution necessary to maintain a sound financial situation over the next 10 years is 3.55 per cent, against the current 3.30 per cent; this represents an increase of 7.57 per cent. It is well established that health care costs continue to rise almost everywhere as a result of ageing populations, technological advances in health care treatment and the use of healthcare. The Management Committee has taken its responsibility to ensure the necessary financial sustainability of the Fund and therefore proposes to increase the contribution rates by 7.57 per cent.

- Amendments concerning benefits:

At the same time, the Management Committee has decided to readjust certain benefits whose ceilings had not been changed for many years. After having studied in depth several options, the Management Committee has approved the following changes:

- For optical appliances (Code 5.1), the maximum carry over balance from one year to the next will increase from USD 512.00 to USD 768.00.
- For hearing aids (Code 5.2), the maximum ceiling of approved expenses will be expressed per ear and no longer as a global ceiling.
- For long-term nursing services in an institution (Code 2.5), the maximum ordinary benefit amount per day will increase from USD 110.40 to USD 120.00.
- For cures (Code 2.4), accommodation will no longer be reimbursed.

Moreover, for the first time in the SHIF's history, the Management Committee considered that prevention should be an integral part of the SHIF's policy. A subgroup of the Management Committee studied the best practices of similar organizations and of the social security schemes of certain countries and then proposed to the Management Committee the implementation of a series of measures. The Management Committee decided that certain preventive exams (such as mammography, colonoscopy, PSA test, etc.) as well as the flu vaccine would be reimbursed at 100 per cent under certain conditions which are detailed in the circular.

The Management Committee has chosen preventive exams for which detection at an early stage of a disease could have the most positive impact on the prognosis and health of the insured person. The Management Committee is also aware that communication is an important element in the success in such policies and the SHIF will strongly engage in this direction.